Prospective Offerors,

Since the IRS issued the Draft Electronic Tax Administration Request for Proposal (RFP) on September 15, 1997, we have met with 39 organizations to obtain suggestions and comments and received written comments from 35 organizations. We are gratified by the positive response to the draft RFP and by your individual and collective interest in Electronic Tax Administration. In response to those comments, we are releasing the attached Request for Agreements (RFA) for the *Electronic Tax Administration (ETA) Partnership* two months ahead of the originally planned release date. This RFA deals with non-monetary agreements for the 1998 and 1999 filing seasons (tax years 1997 and 1998).

The IRS will entertain questions on the RFA through December 10, 1997. Direct your questions to Jeff Petrino via E-mail at "jeffrey.petrino@ccmail.irs.gov." Jeff can also be reached via telephone on (202)283-2581 or (202)283-1411 (voice mail). Please submit proposals via electronic mail to Jeff Petrino at "jeffrey.petrino@ccmail.irs.gov." Offerors shall submit proposals in Microsoft Word Version 7.0a or lower version or compatible file format. The IRS must receive proposals for the 1998 filing season by 5:00 p.m. EST December 22, 1997. The IRS anticipates issuing agreements for the 1998 filing season between January 15, 1998 and January 31, 1998. The IRS must receive proposals for the 1999 filing season by 5:00 p.m. EST February 17, 1998.

Thank you for your continued interest and we look forward to receiving your proposals under this Request for Agreements for Electronic Tax Administration Partnership.

Stephen H. Holden
National Director, Electronic Program Enhancement Office

REQUEST FOR AGREEMENT
(RFA)
for the
ELECTRONIC TAX ADMINISTRATION
(ETA)
PARTNERSHIP

Solicitation #: TIRNO-97-00071
11/26/97

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1.0 INTRODUCTION

This is a Request for Agreements (RFA)[1] that is being issued in advance of the final Request for Proposal (RFP) for the Electronic Tax Administration (ETA) partnership. The decision to issue the final solicitation in two parts was made based on feedback received during industry meetings, held during the public comment period spanning from September 15, 1997 to November 17, 1997. During the industry meetings, the IRS was pleased to find that several potential offerors expressed a desire to obtain agreements (Approach 2 in the draft RFP) for the 1998 filing season commencing January 1998. To take advantage of this interest, the portion of the solicitation associated with agreements is being issued ahead of schedule.

Agreements will, in the short term, prove mutually beneficial to the IRS and our ETA partners. In the short term, the IRS will gain additional electronic returns and the partner will obtain a privilege or reduced burden. For the long term, the nature of the agreements proposed will validate (or invalidate) the importance of the Program Improvements (see Section 1.4) and identify others. In some cases, the IRS expects that ETA partners will not just make a request to reduce burden, but also suggest a solution that will still meet the statutory requirements of the program and maintain, or enhance, program integrity and return quality. If the solution is an innovation or concept that will benefit the entire electronic filing program, it may become an integral part of the program over time.

This RFA addresses non-monetary agreements only. The final RFP is expected to address “Contracts for Volume Increases using IRS Current ETA Systems” and “Systems Enhancements,” formerly described as Approach 1 and Approach 3 in the draft RFP. The final RFP is scheduled for release to industry on January 31, 1998. Offerors may propose on both the RFA and RFP. There are no restrictions on the number of proposals submitted by one offeror for either the RFA or the final RFP.

1.1 Background

The IRS is the largest processor of information in the world, processing over two billion transactions in 1995. These transactions include receiving and processing tax related data, including individual and business income tax returns, informational returns (interest, dividend, etc.), and payments. While some of these transactions are electronic, the IRS still devotes significant resources to convert much of the information provided by its information exchange partners into an electronically processable format.

ETA represents the two-way electronic exchange of information that the IRS has with individual and business taxpayers, taxpayer representatives, tax practitioners, financial institutions and other government entities. Electronic Tax Administration provides the mechanisms for taxpayers, preparers and practitioners, payers, and other information exchange partners to file returns, make payments, exchange correspondence, and retrieve forms, publications, and other information from the IRS with a minimum reliance on paper.

The mission of Electronic Tax Administration is to revolutionize how taxpayers transact and communicate with the IRS. Strategies include:

- Making electronic filing, payment, and communication so simple, inexpensive, and trusted that taxpayers will prefer these to calling and mailing;

[1] Because the participation in agreements will not entail the expenditure of appropriated funds, the agreements do not meet the definition of “acquisition” in Federal Acquisition Regulation (FAR) 2.101. Therefore, the FAR does not apply to this RFA or the resulting agreements.

- Providing additional taxpayer access methods to electronic filing, payment, communication products and services;
- Aggressively protecting transaction integrity and quality;
- Substantially reducing electronic filing per return processing costs;
- Seeking the best people, ideas and partners to assure our success; and,
- Delivering the highest quality products and services as promised.

1.2 Scope of Request for Agreement (RFA)

For the purposes of this RFA, the Government will focus on the electronic filing of individual tax returns (1040 series) including related transactions, such as payments, correspondence, powers of attorney, and requests for transcripts. Additional ETA programs (e.g., business and information returns) will be addressed in the future, likely through a separate RFP.

1.3 Existing ETA Programs

This RFA focuses on the following ETA programs: IRS *e-file* using a tax professional and IRS *e-file* using a personal computer. For information on additional ETA programs, see Section J, Attachment 5 to the Draft RFP, Critical Issues for Development of an Electronic Tax Administration Strategy: A Plan for Moving Federal Tax Administration into the Information Age, dated February 10, 1997.

1. IRS *e-file* Using a Tax Professional

The first ETA program, IRS *e-file* using a tax professional, is the IRS' major individual electronic tax return filing program. The IRS developed *e-file* in 1986 when personal computers and modems had not yet found their way into most homes. To take advantage of automated tax return preparation and the ability to transmit return data electronically, the IRS formed an alliance with the tax preparation firms. These firms integrated electronic filing into their existing businesses and, in some cases, charged fees for these additional services. Historically, many of their customers (14.5 million in 1997) have been willing to pay additional electronic filing fees to secure quicker refunds. For yet another fee, electronic filers could secure a Refund Anticipation Loan (RAL) for the taxpayer, where a bank advances the amount of the anticipated tax refund. Although advertised as electronic filing, IRS *e-file* still requires preparing, signing, and mailing of a paper signature document (i.e., jurat) to authenticate each electronic return, accompanied by W-2 wage documents and other attachments to the return requiring signatures. Although the IRS *e-file* program accepts 1040EZs, 1040As, and much of the 1040 family of returns and schedules, most of its users file the simplest returns, driven primarily by the incentive of accelerating sizable refunds.

2. IRS *e-file* Using a Personal Computer

The second ETA program, IRS *e-file* using a personal computer, is an outgrowth of the increasing popularity of personal computer tax preparation software. Return transmitter companies accept a transfer via modem of a completed return in commercial tax preparation file format and, for a fee, translate the file to the IRS ELF format and transmit it to the IRS. IRS *e-file* using a personal computer handles the same returns and schedules as IRS *e-file* and also requires taxpayers to complete, sign, and mail the paper signature document (i.e., jurat) with attached W-2 wage documents.

1.4 Program Improvements

Program improvements can either reduce or remove barriers to the existing program (i.e., cost and complexity) or offer improvements (i.e., value proposition to the taxpayer). Taxpayers and other stakeholders have identified the following as some of the program improvements that would lead to increased volumes:

> Expanded electronic authentication - The IRS is seeking proposals for piloting cost-effective methods for electronic authentication that would allow the IRS to eliminate its reliance on paper-based signatures using commercially-available authentication products and services that meet accepted industry and government-wide standards. These methods may include, but not be limited to, Personal Identification Number (PIN), dynamic digitized or digital signatures (up to and including a public key infrastructure).
>
> Expanded electronic submission of forms, returns and transactions - The IRS is seeking proposals for integrated solutions that would enable taxpayers, practitioners, and other information exchange partners to file electronically all returns, forms, receipt of refunds and related transactions (e.g., paperless payment options, submission of powers of attorney, and exchange of account information).
>
> Improved fraud prevention and detection - The IRS is seeking proposals for improvements in the "quality of returns" to include error rates and fraud. Much of the fraud that occurs in paper transactions can also be found in Electronic Tax Administration, although the fraud may take a slightly different form, depending on how a particular Electronic Tax Administration method is implemented. Because fraud is not a static activity, it is anticipated that, as Electronic Tax Administration increases, a small fraction of participants will use the new technologies that are available to seek innovative ways to perpetrate fraud. Thus, it is important to build fraud prevention and detection capabilities into new Electronic Tax Administration methods as they are developed.
>
> Improved ETA customer service for taxpayers and electronic filers - The IRS is seeking proposals for improved customer service, which can take many forms. Proposals may include: 1. requesting removal of a barrier that would improve customer service for taxpayers or preparers, 2. improving a specific aspect of ETA customer service in exchange for expanded electronic filing, 3. reducing burden (time and out of pocket expense), reduced cycle time (increased access and availability of service), and 4. bundling value-added services to their Electronic Return Originators (EROs) and Taxpayers that file electronically.

1.4.1 Examples of Items Open for Agreement

The following are examples open for agreement. These examples are not intended to direct or limit proposals, they are only illustrations.

- Offerors might propose that the IRS place a hyper-link on the IRS Web Site and demonstrate how that hyper-link would lead to tapping or reducing burden for underrepresented electronic filing market segments. Underrepresented market segments involve balance due filers, more complicated returns (Form 1040 rather than 1040EZ or 1040A), and Federal/State filers. These returns could be reached through various avenues including, but not limited to, paid EROs, at-home filers, and employer-sponsored programs.

- Offerors (e.g., professional associations) might propose a modification or elimination of the suitability and application process for its members by demonstrating how its professional standards and monitoring procedures meet the objectives of maintaining the integrity of the electronic filing program. The association would also demonstrate how this request would improve customer service for taxpayers and electronic filers and lead to tapping the underrepresented markets discussed above.

- Offerors might propose piloting a secure, cost-effective means for Personal Identification Number (PIN) administration. The organization may request, in exchange, that the IRS accept that PIN as authentication for the returns filed through the pilot and waive Form W-2 requirements. The organization would describe the implementation plan in detail, including objectives and measures of success. The proposal would also describe how the use of the PIN would tap the markets discussed above and include a discussion of other benefits the IRS may obtain from the approach.

- Offerors might propose making available a paperless payment option to balance due taxpayers who file electronically in exchange for the IRS accepting the electronic payment record. The proposal would demonstrate the reduced burden for the taxpayer including an effective payment date of April 15 regardless of how early in the filing season the return was filed electronically. The proposal would also explain that the paperless payment option would motivate balance due filers to file electronically.

- Offerors might propose increased submission of complicated returns in exchange for a designated IRS liaison to help resolve issues on the offerors electronically filed returns only. The proposal would describe how access to IRS staff would reduce taxpayer and preparer burden and tap the underrepresented market segments.

2.0 AGREEMENT REQUIREMENTS

For the purposes of this RFA, “agreements” are defined as non-monetary arrangements between two parties (commercial firm, not-for-profit organization, or any federal, state or local agency and the IRS). See Attachment 1, Model ETA Agreement for an outline of the document that is expected to result from this RFA. Offerors may propose project plans for stand-alone solutions or multiple solutions within one proposal. Proposals containing multiple solutions shall address the severability of each proposed solution (i.e., which solutions must stay together as a “package deal” and which solutions may be awarded independently).

The IRS anticipates entering into agreements for the 1998 and 1999 filing seasons (1997 and 1998 tax years respectively). Agreements will be awarded for a term of one year with a one-year option period to continue the same solution subject to mutual agreement. Proposals may be submitted for one or both of these filing seasons. Offerors interested in proposing different solutions for the 1998 and 1999 filing seasons shall submit separate proposals for each and shall not combine them into one proposal. This will permit a separate evaluation of each proposal for each year by the Government. In the event more than one of the offeror’s proposals is selected, the winning proposals may be combined into one Agreement to ease the administration.

Proposals shall clearly state the implementation milestones and associated time frames for the proposed solution, for both the offeror and the IRS. If the IRS determines that the proposed time frames cannot be accomplished in time for the proposed filing season, then the proposal will be rejected.

Because Electronic Tax Administration is beginning a period of dramatic change, both within and outside the IRS, the IRS is limiting agreements to a maximum of two years. The IRS will determine at a future date whether a new RFA is warranted for filing season 2000 and beyond.

The IRS reserves the right to extend any accepted solutions to all participants in the electronic filing program. However, the IRS will consider a period of exclusivity, likely limited to one year, for proposed solutions which demonstrate a unique and innovative concept and which do not resemble the substance of a solution which previously has been suggested to or considered by the IRS. If exclusivity is a required feature of the proposed solution, the offeror shall clearly state such in their proposal. If the IRS believes it is in its best interest to not grant exclusivity, then the IRS will seek a negotiated agreement.

2.1 Project Plan

All proposals submitted in response to this RFA shall be submitted in the form of a project plan. The format for the project plan is as follows:

Introduction

- Provide General Information.
- Address Mandatory Requirements (See Section 2.3). For 1998 and 1999 proposals, the offeror shall include their Electronic Filer Identification Number (EFIN), Electronic Transmitter Identification Number (ETIN), or a copy of their letter of acceptance into the *e-file* program. Offerors that are not currently enrolled in the ETA program, shall include a plan to address the mandatory requirements.
- Include point of contact information (name, address, phone number, e-mail address and fax number). The point of contact shall have decision making (commitment) authority for the offeror.

Agreement Requirements (See Section 1.4.1 for examples of items open for agreement)

- Describe the agreement including privilege or removal of barrier requested.
- Describe the duties and responsibilities of the IRS.
- Describe the duties and responsibilities of the offeror.
- Describe any exclusivity requirements, include the requested period of time for the exclusivity arrangement.
- Return the Model ETA Agreement (Attachment 1 to this RFA) with any proposed additional content for negotiation, including dispute resolution and any remedies other than termination for the failure of either party to perform.

Solution Description

- Describe the objective of the proposed agreement.
- Describe the definition of success for the solution and means of measurement for evaluating that success.
- Describe the IRS resource requirements beyond the normal District Office and Service Center support as stated in Publication 1345, if required. Description shall include the required: type of support, number of personnel, time frames for personnel, and supplies or equipment.
- Describe the impact on the market segments (target population). Include the impact on complicated returns, balance due returns and Federal/State returns.
- Describe the impact on the taxpayer (taxpayer burden). Include the direct cost to taxpayer and impact on taxpayer time and cost/savings.

Implementation Plan

- Describe the milestones and time frames associated with implementation (clearly delineate the milestones and time frames associated with each participant, the offeror and IRS).

Request for Taxpayer Information (as applicable)

- Address the appropriate privacy and security safeguards as necessitated by the proposed Agreement.
- Describe the measures taken to guard against unauthorized disclosure in violation of Internal Revenue Code 6103 when proposing solutions which require or contemplate release of information by the IRS to taxpayers, preparers, or other parties.

2.2 Deliverables

On June 30 of each year of the agreement following implementation, the offeror shall submit a project performance report. This report shall contain narrative describing the expected success of the solution(s) stated in the agreement, the measurement process for evaluating each solution and the findings (outcome) of the measurements as described in the project plan. The project performance report shall be submitted to the Contracting Officer's Technical Representative. This report shall be used as a means to determine whether the offeror has met the requirements of the agreement. This report is subject to inspection/verification and approval by the IRS and will be used to determine whether the option is exercised.

2.3 Mandatory Requirements

Offerors intending to act as an electronic filer for the 1998 and/or 1999 filing season shall: 1) properly complete and submit a Form 8633, Application to Participate in the Electronic Filing Program, meet the suitability requirements as stated in Publication 1345, Revenue Procedure 96-61, Revenue Procedure 96-62 (for on-line filing), and be accepted by the IRS as a participant in the electronic filing program; or 2) request a waiver from the standard application procedures. Waiver of any requirement stated in IRS Publications 1345 and 1346 and in Revenue Procedures 96-61 and 96-62 may be proposed as non-monetary consideration. All transmissions shall adhere to the policies and procedures described in the appropriate version of the Publications and Revenue Procedures for the corresponding tax year. Federal law that governs preparation of the 1040 series of income tax returns is mandatory and cannot be waived.

3.0 INSTRUCTIONS TO OFFERORS

3.1 Technical Proposal/Project Plan

Technical Proposals responding to this RFA shall be submitted in the Project Plan format described in Section 2.1. The Project Plan shall provide a thorough description of the offeror's solution. The focus of the description should be on the technical approach, including a discussion of the underrepresented market segments, taxpayer burden, request for taxpayer information (if applicable) and implementation plan.

Offerors shall submit proposals via electronic mail to Jeff Petrino at "jeffrey.petrino@ccmail.irs.gov." Offerors shall submit proposals in Microsoft Word Version 7.0a or lower version or compatible file format. The IRS must receive proposals for the 1998 filing season by 5:00 p.m. EST December 22, 1997. The IRS anticipates issuing agreements for the 1998 filing season between January 15, 1998 and January 31, 1998. The IRS must receive proposals for the 1999 filing season by 5:00 p.m. EST February 17, 1998. Extraneous narrative, elaborate brochures, uninformative Public Relations (PR) material and so forth will not be considered.

3.1.1 Oral Presentation

The IRS may elect to conduct oral presentations. In the event oral presentations are held, each offeror's presentation will not exceed two hours in duration. An IRS Contract Specialist will schedule the oral presentations and will notify each offeror of the date, time, and location. The oral presentation will take place at the Government's facility in the Washington, DC metropolitan area. The Government reserves the right to reschedule an oral presentation at the discretion of the IRS Contracting Officer. If the offeror is unable to travel to the location where the oral presentation is to occur, then a teleconference will be arranged for the scheduled date and time.

The offeror shall present their proposed solution following the same general format required for the Project Plan (Introduction, Agreement Requirements Solution Description, Implementation

Plan and Request for Taxpayer Information (if applicable)). The purpose of the oral presentation is to ensure a thorough understanding of the offeror's proposed Agreement.

The Contracting Officer will strictly enforce the two-hour time limit. The offeror's oral presentation must be made by one or more of the persons whom the offeror will actually employ under the proposed Agreement. Following the oral presentation, each offeror shall participate in a question and answer session held by the Government. The presenters must be able to answer technical, business and project management questions regarding the proposed Agreement.

The Government may audio or video tape the Oral Presentation.

4.0 EVALUTION PROCESS AND ASSESSMENT CRITERIA

The offerors' proposals will be evaluated using the three-step process and the factors described below.

Step 1

The first step of the evaluation entails an assessment of the Project Plan to determine: (1) adherence to the mandatory requirements (Section 2.3), and (2) if the proposed Agreement can realistically be performed by the offeror in the time frame proposed. The IRS will make this determination on a pass/fail basis. Proposals that pass by complying with the mandatory requirements and proposing achievable time frames will move to the next step.

Step 2

In the second step, the IRS will review the Project Plan and communicate to the offeror uncertainties that are found in the proposal. Such communications will be for the purpose of minimizing the uncertainties. They will not be used to cure significant omissions in the proposal, materially alter the proposal, or otherwise elicit significant revisions to the proposal. Any proposals whose project plans contain significant omissions or ambiguities will no longer be considered. Offerors who submit project plans that are clear or whose uncertainties have been removed, may be required to conduct an oral presentation of the proposed agreement (project plan) and participate in a question and answer session. The oral presentation and project plan will be evaluated using the evaluation factors below:

Factor 1 - Soundness of Approach
- COTS versus custom application
- Interoperability with current systems
- Success determination and measurement methodology
- Implementation Plan
- Manageability

Factor 2 - Underrepresented Market Segments
- Impact on complicated returns
- Impact on balance due returns
- Impact on Federal/State returns

Factor 3 - Taxpayer Burden
- Direct Cost to the Taxpayer
- Impact on Taxpayer time
- Impact on Taxpayer cost/savings

This evaluation will result in a pass/fail determination.

Concurrently, the offeror's project plan will be reviewed by the IRS Criminal Investigation. This review will address fraud prevention and detection implications of the proposal. Also, the IRS will assess the proposal to assure the proposed agreement does not disrupt other planned filing season activities. These reviews will be conducted on a pass/fail basis. Any uncertainties in the offerors proposal identified by the IRS will be communicated to the offeror for clarification and possible negotiation. Offerors' proposed agreements that pass the Step 2 evaluation and the internal IRS reviews will continue to the next step.

Step 3

The third step will focus on the proposed agreements' impact on the Service. This assessment will include a comparison of the offerors' proposed agreements using the following elements as discriminators: exclusivity requirements, requested consideration (privilege/removal of barrier) and IRS' management, technical and financial resources required. The IRS will then rank the proposed agreements in descending order, beginning with the one of greatest benefit to the IRS. The intent is to award the maximum number of agreements that the IRS deems is appropriate considering the discriminators above. As a result of this assessment, any, all or none of the proposed agreements may be selected.

MODEL
ELECTRONIC TAX ADMINISTRATION
MEMORANDUM OF AGREEMENT
BETWEEN THE INTERNAL REVENUE SERVICE AND
[INSERT PARTICIPANT'S NAME]

1. INTRODUCTION:

This Electronic Tax Administration ("ETA") Memorandum of Agreement ("Agreement") between the Internal Revenue Service ("IRS") and [insert name of company or organization] ("Participant") sets forth the complete agreement of the parties with regard to participation in the [insert name of project] for electronically filed individual returns (1040 series) during the [insert year] filing season which covers the [insert year] tax year. The parties agree that, except as provided below, the participant will be treated as an Electronic Return Originator (ERO) or a Transmitter as those terms are defined in 3.01(1) and (4) of Rev. Proc. 96-61 (and any subsequent revenue procedures relating to electronic filing of Form 1040, Individual Income Tax Return.). Also, except as provided below, the parties agree to comply with all relevant statutory, regulatory, and administrative requirements relating to the electronic filing program.

2. AUTHORITY:

(A) This Agreement is entered into pursuant to the authority vested in the Commissioner of the IRS by Treasury Order 150-10 to administer and enforce the internal revenue laws. [May also refer to statute on electronic filing.]

(B) This Agreement is not an "acquisition" as that term is defined in the Federal Acquisition Regulation ("FAR") 2.101; therefore, the FAR does not apply to this Agreement .

3. BACKGROUND AND PURPOSE:

(A) This Agreement results from the evaluation and selection by the IRS of one or more proposals received in response to a solicitation or Request for Proposals ("RFP") for ETA Partnerships. Proposals were sought for non-monetary Agreements formally described as Approach 2 in the IRS Draft RFP ("DRFP") for ETA contracts and agreements.

(B) The purpose of this Agreement is to engage in a Pilot Test for the 1998 filing season which may result in either the reduction or removal of barriers to use of the existing ETA program.

4. DEFINITIONS:

[TO BE INCLUDED AS NECESSARY]

5. APPLICABLE DOCUMENTS:

[TO BE INCLUDED AS NECESSARY. IN THE EVENT THAT "OFFICIAL USE ONLY" INFORMATION OR TAXPAYER INFORMATION MUST BE PROVIDED BY THE IRS TO THE PARTICIPANT FOR PERFORMANCE OF THE AGREEMENT, THEN THE AGREEMENT WILL INCLUDE THE FOLLOWING IRS ACQUISTION PROCEDURE (IRSAP) CLAUSES, AS APPICABLE: IRSAP 1052.224-9000(c) DISCLOSURE OF INFORMATION – SAFEGUARDS (DEC 1988); IRSAP 1052.224-9000(d) DISCLOSURE OF "OFFICIAL USE ONLY" INFORMATION SAFEGUARDS (DEC 1988); IRSAP 1052.224-9001(a) DISCLOSURE OF INFORMATION – CRIMINAL/CIVIL SANCTION (DEC 1988); AND IRSAP 1052.224-9001(b) DISCLOSURE OF INFORMATION – OFFICIAL USE ONLY.]

6. AUTHORIZED REPRESENTATIVES:

[CONTACT POINTS FOR EACH PARTY TO BE INCLUDED]

7. DUTIES AND RESPONSIBILITIES OF THE IRS:

[STATEMENT OF WORK (SOW) TYPE LAYOUT OF IRS'S COMMITMENTS TO BE INCLUDED]

8. DUTIES AND RESPONSIBILITIES OF THE PARTICIPANT:

[SOW TYPE LAYOUT OF PARTICIPANT'S COMMITMENTS TO BE INCLUDED]

9. LIABILITY:

(A) Each party to this Agreement shall be liable for the acts and omissions of its own employees.

(B) The IRS shall not be liable for any injury to the Participant's personnel or damage to the Participant's property unless such injury or damage is due to negligence on the part of the Government and is recoverable under the Federal Tort Claims Act {28 U.S.C. 1346(b)], or pursuant to other statutory authority.

10. THIRD PARTY RIGHTS:

This Agreement does not confer any rights or benefits on any taxpayer or any other third party.

11. PERIOD OF PERFORMANCE AND TERMINATION:

(A) This Agreement shall be in effect from the date of signature for the IRS for a period of one year, renewable for one additional one-year option period by mutual consent.

(B) This Agreement may be terminated by either party upon 30 days after receipt of written notice signed by either of the signatories to this Agreement or by their successors or designees. The Participant understands that in the event the IRS terminates this Agreement, the Participant has no right to any claim against the Government, including a claim for termination costs.

12. MODIFICATION OF AGREEMENT:

This Agreement may be modified by either party, but only upon mutual agreement. All modifications must be in writing and signed by both of the signatories to this Agreement or by their successors.

13. INSPECTION RIGHTS:

(A) The IRS may inspect the work performed by the Participant upon reasonable notice to the Participant's Authorized Representative and in a manner that will not interfere with the Participant's performance of this Agreement. The Participant shall provide access for this purpose to the IRS's Authorized Representative(s) to the location where the work is being performed. The IRS shall also have the right to inspect the Participant's Report(s) of the work performed as a result of this Agreement. The IRS's
Authorized Representative shall provide the results of any inspections to the Participant's Authorized Representative for any necessary resolution.

13. INSPECTION RIGHTS (CONTINUED):

(B) The IRS may evaluate the Participant's performance of this Agreement and may provide the results of
this evaluation to the Participant, in writing, on a quarterly basis for written comment and return to the IRS. The evaluation, including the Participant's comments, may be used by the IRS in considering the Participant for future Agreements or Contracts.

14. REMEDIES:

[ANY REMEDIES FOR NON-PERFORMANCE BY EITHER PARTY, IF ANY ARE TO BE INCLUDED OTHER THAN "TERMINATION" AS STATED IN 11(B), MAY BE INSERTED SUBJECT TO MUTUAL AGREEMENT. IF REMEDIES ARE TO BE PROVIDED, THEN THE UNILATERAL TERMINATION PROVISION IN 11(B) SHALL BE DELETED.]

15. LIMITATIONS:

The terms of this Agreement are not intended to alter, modify, or rescind any current Agreement or provision of Federal law now in effect. Any provision of this Agreement which conflicts with Federal law will be null and void.

16. DISPUTE RESOLUTION:

[THE CONTRACT DISPUTES ACT DOES NOT APPLY. UNDER 41 U.S.C. 605(d), IRS AND THE PARTICIPANT MAY AGREE TO ALTERNATIVE DISPUTE RESOLUTION OR OTHER MUTUALLY AGREEABLE PROCEDURES.]

17. SIGNATURES:

[TO BE SIGNED AND DATED WITH THE NAMES AND TITLES OF EACH SIGNATORY INSERTED.]